Economic Problems

The Dutch Republic only came into being at the end of the 16th century but by the mid-17th Century it was the most economically dominant country in Europe. Its financial innovations such as in banking, ship building and finance propelled it to the top. But with its relative small size and reliance upon international trade that success was quickly eroded when France and England, its former allies went to war with The Netherlands in the latter part of the 17th Century. The wars greatly damaged Dutch shipping and thereby its major source of revenue, undermined Dutch unity as wealthier Amsterdam was forced to act as primary financier of the War effort and not surprisingly caused fear and trepidation amongst the general Dutch public.

Documents 4, 5 and 12 all refer to the growing economic problems within the Netherlands. While it’s always risky to accept an anonymous statement since we can’t determine its reliability and/or credibility, document 5’s viewpoint is shared by the English Ambassador in his apparently private letter to his government. Since this was probably not intended for public consumption it’s likely Downing is being candid in his assessment. Moreover, though it’s not clear who supplied the figures for Document 12, if we accept them as accurate, there was a five fold increase in public debt in just 25 years. Just as in Spain’s situation in the early 17th Century, War debt is likely to be the Netherlands Achilles heel.

Similarly Documents 4, 9 and 10 show the Wars and economic problems leading to friction within Holland a highly rhetorical political pamphlet (d9) implies that the wealthy are paying a disproportionate amount of the financial costs of the War. Clearly the pamphlet is intended to inflame the public. Moreover, even a government report (d9) acknowledges the internal dissension and the resulting disagreement on how to move forward in the War. Document 4, likewise provides evidence from an outsider that the financial burden of War will not be shared equally.

By the early 1700s the Netherlands was in deep trouble and the Golden Age was over, outsiders in the Dutch republic noted the personal despair (d14), Trade was disrupted (d13) as other countries took control of sea lanes (in 1645 almost 8 of 10 ships in the Baltic Sea were Dutch, by 1695 the number had steadily declined to only 3 in 10(d2)) and government debt had ballooned. There were several causes to the Dutch decline, foremost the individual efforts of England and France to end Dutch dominance as well as their alliance. In 1670, Charles II of England and Louis XIV of France made a deal whereby France bore the financial burden and England largely the military burden (d6). It’s not clear whether this was publically acknowledged, however because in 1671 the Amsterdam council was aware of France’s involvement and knew that others were also involved (but didn’t specifically State England) (d7). Just one year later the Dutch ambassador while apparently in England was well aware of England’s interest in having the French continue to threaten the Netherlands (d8). The Ambassador of France, also noted England’s success in disrupting trade (d11) prior to the treaty, which apparently is supported by document 3 where the English captured five times as many Dutch ships as the Dutch captured from the English, despite the fact the lion’s share of the battles were fought just off the coast of England (d1)

By the early 1700s the Dutch were in despair. Finances were weak as debt plagued the small republic, bickering over who was sustaining the War effort became at times paralyzing and the War itself took the lives of countless dutch citizens. The golden age of The Netherlands was over, all due to the English who helped the Dutch free themselves from Spanish control in the late 16th Century and the French who fought with the Dutch in the 30 year.